

OMB NO. 0938-0188

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 — 0 1 4

2. STATE:

Utah

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1902(a)(13)(A) of the Act

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Page 17

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ 2,800.00

b. FFY 2003 \$ 11,200.00

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (if Applicable):

10. SUBJECT OF AMENDMENT:

Indirect Medical Education Funding Pool

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Rod L. Betit

13. TYPED NAME:

Rod L. Betit

14. TITLE:

Executive Director, Utah Department of Health

15. DATE SUBMITTED:

Sept. 30, 2002

16. RETURN TO:

Rod L. Betit

Utah Department of Health

P.O. Box 143102

Salt Lake City, UT 84114-3102

17. DATE RECEIVED:

18. DATE APPROVED:

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7/1/02

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

CHARLENE BROWN

22. TITLE:

Deputy

23. REMARKS:

POSTMARK: September 30, 2002

ATTACHMENT 4.19a
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INPATIENT HOSPITAL
Section 600 Health Profession Education

601 General – Utah Department of Health shall support the education of health professionals through the use of Medicaid funds. All hospitals eligible for health profession education payments will be identified through the use of Medicare cost reports. Specifically, worksheets E and S will be utilized to identify the participating facilities. Both fee-for-service (FFS) and health maintenance organization (HMO) services will qualify for health professional education payments. Payments, as defined below, will be made quarterly through the States MMIS payment system.

602 Payment Pool–The annual payment pool will be determined prior to the beginning of each year on July 1st. Fiscal year 2001 was the first effective year of the “payment pool” and resulted in the payment of \$19,719,568 being allocated to the teaching providers. The amount in the payment pool will be adjusted annually by an amount not to exceed the consumer price index for the western region published by the U.S. Department of Labor. Assuming a 3.8% annual CPI adjustment, the amount of the pool from fiscal year 2003 onward is estimated to be:

FISCAL YEAR ENDING	DIRECT GRADUATE MEDICAL EDUCATION PAYMENTS
6/30/2003	\$22,250,000
6/30/2004	\$23,095,500
6/30/2005	\$23,973,129
6/30/2006	\$24,884,108
6/30/2007	\$25,829,704

STATE <u>UTAH</u>	A
DATE REC'D <u>10-2-02</u>	
DATE APPV'D <u>5-27-03</u>	
DATE EFF <u>7-1-02</u>	
HCFA 179 _____	

603 Pool Distribution -- The pool will be distributed based upon the allocation percentage of each hospital. The hospital allocation percentage will be developed using prior year patient days (both HMO and FFS), and weighted intern and resident (I&R) full time equivalency (FTE). For example:

	(a) Weighted I&R FTEs	(b) Hospital Patient Days	(c) (a * b) Weighted FTE Days	(d) Hospital Allocation Percentage	Payment Pool
Hospital A	256	32,414	8,297,984	68.22%	13,508,170
Hospital B	62	10,611	657,882	5.41%	1,070,957
Hospital C	<u>150</u>	<u>21,381</u>	<u>3,207,150</u>	26.37%	<u>5,220,874</u>
	468	64,406	12,163,016		19,800,000

604 Weighted FTE – The Utah Medical Education Council (UMEC) will determine annually the weighting factor for each resident specialty that will be applied to the I&R FTEs as reported by each participating hospital.

605 Upper Payment Limit – The aggregate Medicaid hospital payments, including health profession education payments, will not exceed the amount that would be paid for the services furnished under Medicare payment principles in compliance with the 42CFR447 upper payment limit.

606 State Teaching Hospital – A separate funding pool will be established for payments to the state teaching hospital for Indirect Medical Education (“IME”). The state teaching hospital will receive an IME payment for each Medicaid discharge equal to the Medicare IME payment for the prior year without using the Medicare three-year rolling average. The annual IME payment will be made in four quarterly installments and will be equal to the per-discharge IME amount times the hospital’s Medicaid discharges in the prior fiscal year. Payment under this section is in addition to payments described in to §602 and §603. To the extent that such payments would cause the State to exceed the upper payment limit in §605, the IME per discharge amount will be ratably reduced so that aggregate payments to state hospitals shall not exceed the Medicare upper payment limit. It is estimated that the IME payments in the state fiscal year ending June 30, 2003 shall be \$14,892,745. The funding of these additional IME payments will be established yearly. The payment for the state fiscal year ending June 30, 2003 will be \$14,892,745.

The amount of the payment to the state teaching hospital will be computed utilizing Medicaid discharges outlined as follows: (Medicaid Discharges) X (IME –payment amount established on a per discharge basis). In 2003 this amount will be \$3,381.00 per discharge (14,892,745/3837). The actual rate calculation will be completed by means of the Medicare cost report form.

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